



西安海天天綫科技股份有限公司

XI'AN HAITIAN ANTENNA TECHNOLOGIES CO., LTD.*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8227)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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*This announcement, for which the directors (the “**Directors**”) of Xi’an Haitian Antenna Technologies Co., Ltd.* (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

* For identification purpose only

HIGHLIGHTS

- During the nine months ended 30 September 2021, the Group recorded an unaudited net loss of approximately RMB14.13 million, compared to an unaudited net loss of approximately RMB20.92 million for the corresponding period in 2020.
- The unaudited total operating income for the nine months ended 30 September 2021 was approximately RMB26.04 million, representing approximately 423% of the unaudited total operating income for the corresponding period in 2020.
- The Board does not recommend the payment of a dividend for the nine months ended 30 September 2021.

CONSOLIDATED RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

The board of Directors (the “**Board**”) hereby submits the unaudited consolidated operating results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2021, together with the unaudited comparative figures for the corresponding period in 2020 as follows:

CONSOLIDATED BALANCE SHEET

Item	Note	Unit: RMB	
		(Unaudited) 30 September 2021	(Audited) 31 December 2020
Current assets:			
Cash at bank and on hand		1,726,537.50	2,065,197.50
Financial assets held for trading		2,000.00	2,334,010.60
Accounts receivable		14,497,340.41	2,165,411.16
Advanced payments		1,207,915.80	706,310.57
Other receivables		2,146,579.27	2,074,844.67
Of which: Interest receivable		–	–
Dividends receivable		–	–
Inventories		16,325,715.94	7,843,229.28
Other current assets		1,439,392.07	1,048,655.53
Total current assets		<u>37,345,480.99</u>	<u>18,237,659.31</u>

Item	<i>Note</i>	(Unaudited) 30 September 2021	(Audited) 31 December 2020
Non-current assets:			
Fixed assets		6,008,529.39	6,152,972.24
Projects under construction		–	128,205.13
Right-of-use assets		3,323,132.93	9,542,773.41
Intangible assets		53,530,570.33	58,939,423.05
Long-term deferred expenses		–	180,236.65
Other non-current assets		<u>13,042,225.16</u>	<u>13,042,225.16</u>
Total non-current assets		<u>75,904,457.81</u>	<u>87,985,835.64</u>
Total assets		<u><u>113,249,938.80</u></u>	<u><u>106,223,494.95</u></u>
Current liabilities:			
Short-term borrowings		1,900,000.00	–
Accounts payable		19,407,028.11	11,358,974.27
Advanced receipts		–	–
Payroll payable		4,333,173.49	3,831,316.18
Taxes payable		1,958,321.00	1,905,375.50
Other payables		24,936,654.21	20,404,258.11
Of which: Interest payable		–	–
Dividends payable		–	–
Non-current liabilities due within one year		405,882.82	2,981,115.59
Other current liabilities		<u>25,500,000.00</u>	<u>13,500,000.00</u>
Total current liabilities		78,441,059.63	53,981,039.65
Non-current liabilities:			
Lease liabilities		<u>3,993,733.23</u>	<u>7,300,903.84</u>
Total liabilities		<u><u>82,434,792.86</u></u>	<u><u>61,281,943.49</u></u>

Item	<i>Note</i>	(Unaudited) 30 September 2021	(Audited) 31 December 2020
Shareholders' equity:			
Share capital	3	189,762,900.00	189,762,900.00
Capital reserves		182,569,046.27	182,569,046.27
Surplus reserves		16,435,819.34	16,435,819.34
Undistributed profits		<u>(360,537,983.75)</u>	<u>(346,442,138.02)</u>
Total shareholders' equity attributable to the parent company		28,229,781.86	42,325,627.59
Minority shareholders' equity		<u>2,585,364.08</u>	<u>2,615,923.87</u>
Total shareholders' equity		<u><u>30,815,145.94</u></u>	<u><u>44,941,551.46</u></u>
Total liabilities and shareholders' equity		<u><u>113,249,938.80</u></u>	<u><u>106,223,494.95</u></u>

CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Note	(Unaudited)		(Unaudited)	
		1 July to 30 September 2021	2020	1 January to 30 September 2021	2020
I. Total operating income		9,587,039.95	2,474,945.02	26,040,910.89	6,154,780.25
Of which: Operating income	4	9,587,039.95	2,474,945.02	26,040,910.89	6,154,780.25
II. Total operating costs		15,449,369.32	10,538,397.97	41,056,594.11	29,489,138.18
Of which: Operating costs	4	7,099,248.88	1,782,979.49	17,103,510.63	5,471,574.84
Taxes and surcharges	5	24,267.16	19,799.46	82,683.95	57,747.78
Selling expenses	6	1,333,250.74	182,569.30	3,319,957.69	352,900.53
Administrative expenses	7	3,417,087.20	5,229,779.82	10,466,709.52	14,758,721.44
R&D expenses	8	3,529,404.89	3,296,796.11	9,989,268.97	8,653,353.36
Financial expenses	9	46,110.45	26,473.79	94,463.35	194,840.23
Of which: Interest expenses		72,777.87	26,267.62	239,214.04	101,924.18
Interest income		1,024.29	1,645.42	4,853.42	7,261.47
Add: Other gain	10	153,000.00	133,318.60	632,128.41	462,676.19
Investment gain (“-” for loss)	11	-	622,629.00	269,414.99	623,292.56
Of which: Gain from investment in associates and joint ventures		-	-	-	-
Gain from changes in fair value (“-” for loss)	12	-	(1,748,400.92)	-	893,201.16
Credit impairment loss (“-” for loss)	13	-	365,373.27	-	365,373.27
Assets impairment loss (“-” for loss)	14	-	-	-	-
Gain from assets disposal (“-” for loss)	15	-	(23,482.78)	(55,452.27)	(23,482.78)
III. Operating profit (“-” for loss)		(5,709,329.37)	(8,714,015.78)	(14,169,592.09)	(21,013,297.53)
Add: Non-operating income	16	-	44,438.32	62,308.69	98,876.41
Less: Non-operating expenditure	17	-	-	5,052.15	-
IV. Total profit (“-” for total loss)		(5,709,329.37)	(8,669,577.46)	(14,112,335.55)	(20,914,421.12)
Less: Income tax expenses	18	4,359.55	-	14,069.97	5,014.42
V. Net profit (“-” for net loss)		(5,713,688.92)	(8,669,577.46)	(14,126,405.52)	(20,919,435.54)
(I) By business continuity (“-” for net loss)		(5,713,688.92)	(8,669,577.46)	(14,126,405.52)	(20,919,435.54)
1. Net profit from continuing operations		(5,713,688.92)	(8,669,577.46)	(14,126,405.52)	(20,919,435.54)
2. Net profit from discontinued operations		-	-	-	-
(II) By ownership (“-” for net loss)		(5,713,688.92)	(8,669,577.46)	(14,126,405.52)	(20,919,435.54)
1. Net profit attributable to owners of the parent company		(5,855,723.13)	(8,514,134.06)	(14,095,845.73)	(20,458,377.11)
2. Minority shareholders’ profit and loss		142,034.21	(155,443.40)	(30,559.79)	(461,058.43)
VI. Net of tax of other comprehensive income		-	-	-	-
Net of tax of other comprehensive income attributable to owners of the parent company		-	-	-	-
Net of tax of other comprehensive income attributable to minority shareholders		-	-	-	-
VII. Total comprehensive income		(5,713,688.92)	(8,669,577.46)	(14,126,405.52)	(20,919,435.54)
Total comprehensive income attributable to shareholders of the parent company		(5,855,723.13)	(8,514,134.06)	(14,095,845.73)	(20,458,377.11)
Total comprehensive income attributable to minority shareholders		142,034.21	(155,443.40)	(30,559.79)	(461,058.43)
VIII. Earnings per share					
(I) Basic earnings per share (Yuan/share)	20	(0.00309)	(0.00465)	(0.00743)	(0.01117)
(II) Diluted earnings per share (Yuan/share)	20	(0.00309)	(0.00465)	(0.00743)	(0.01117)

CONSOLIDATED CASH FLOW STATEMENT

Unit: RMB

Item	Note	(Unaudited)	
		1 January to 30 September 2021	2020
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		15,797,383.11	6,174,949.44
Taxes and surcharges refunded		–	34,414.27
Other cash received relating to operating activities		<u>692,949.98</u>	<u>7,382,363.90</u>
Subtotal of cash inflows from operating activities		<u>16,490,333.09</u>	<u>13,591,727.61</u>
Cash paid for purchase of goods and receipt of services		16,466,239.71	4,665,080.02
Cash paid to and for employees		10,609,515.31	8,623,653.63
Taxes and surcharges paid		199,011.61	287,507.22
Other cash paid relating to operating activities		<u>9,380,651.75</u>	<u>10,916,956.31</u>
Subtotal of cash outflows for operating activities		<u>36,655,418.38</u>	<u>24,493,197.18</u>
Net cash flows from operating activities		<u>(20,165,085.29)</u>	<u>(10,901,469.57)</u>
II. Cash flows from investing activities:			
Cash received from disposal of investment		2,601,425.59	7,745,401.09
Cash received from investment gain		–	–
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		–	–
Other cash received relating to investing activities		<u>–</u>	<u>–</u>
Subtotal of cash inflows from investing activities		<u>2,601,425.59</u>	<u>7,745,401.09</u>
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets		737,053.00	374,499.00
Cash paid for acquisition of investments		–	–
Net cash paid for acquisition of subsidiaries and other business entities		–	–
Other cash paid relating to investing activities		<u>–</u>	<u>3,000.00</u>
Subtotal of cash outflows for investing activities		<u>737,053.00</u>	<u>377,499.00</u>
Net cash flows from investing activities		<u>1,864,372.59</u>	<u>7,367,902.09</u>

Item	<i>Note</i>	(Unaudited)	
		1 January to 30 September	
		2021	2020
III. Cash flows from financing activities:			
Cash received from capital injection		12,000,000.00	–
Of which: Cash received from capital injection by minority shareholders of subsidiaries		–	–
Cash received from borrowings		1,900,000.00	1,519,798.55
Other cash received relating to financing activities		12,418,419.28	–
Subtotal of cash inflows from financing activities		26,318,419.28	1,519,798.55
Cash paid for repayment of debts		–	252,668.66
Cash paid for distribution of dividends, profits or repayment of interests		18,287.50	113,519.28
Of which: Dividends and profits paid to minority shareholders by subsidiaries		–	113,519.28
Other cash paid relating to financing activities		8,427,047.31	–
Subtotal of cash outflows for financing activities		8,445,334.81	366,187.94
Net cash flows from financing activities		17,873,084.47	1,153,610.61
IV. Effect of foreign exchange rate changes on cash and cash equivalents		88,968.23	(4,155.26)
V. Net increase in cash and cash equivalents		(338,660.00)	(2,384,112.13)
Add: Beginning balance of cash and cash equivalents		2,065,197.50	5,675,029.60
VI. Ending balance of cash and cash equivalents		1,726,537.50	3,290,917.47

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Unit: RMB

(Unaudited) 1 January to 30 September 2021

Item	Shareholders' equity attributable to the parent company				Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital reserves	Surplus reserves	Undistributed profits		
I. Closing balance of last year	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
Changes in accounting policies	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-
Merger of business under same control	-	-	-	-	-	-
Others	-	-	-	-	-	-
II. Beginning balance of the period	189,762,900.00	182,569,046.27	16,435,819.34	(346,442,138.02)	2,615,923.87	44,941,551.46
III. Changes for the period						
("-" for decrease)						
(I) Total comprehensive income	-	-	-	(14,095,845.73)	(30,559.79)	(14,126,405.52)
(II) Capital invested and reduced by shareholders	-	-	-	-	-	-
1. Common shares invested by shareholders	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	-	-
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-
IV. Ending balance of the period	<u>189,762,900.00</u>	<u>182,569,046.27</u>	<u>16,435,819.34</u>	<u>(360,537,983.75)</u>	<u>2,585,364.08</u>	<u>30,815,145.94</u>

(Unaudited) 1 January to 30 September 2020

Item	Shareholders' equity attributable to the parent company				Minority shareholders' equity	Total shareholders' equity
	Share capital	Capital reserves	Surplus reserves	Undistributed profits		
I. Closing balance of last year	169,762,900.00	160,569,046.27	16,435,819.34	(312,249,722.09)	3,075,930.89	37,593,974.41
Changes in accounting policies	-	-	-	-	-	-
Correction of prior period errors	-	-	-	-	-	-
Merger of business under same control	-	-	-	-	-	-
Others	-	-	-	-	-	-
II. Beginning balance of the period	169,762,900.00	160,569,046.27	16,435,819.34	(312,249,722.09)	3,075,930.89	37,593,974.41
III. Changes for the period						
("-" for decrease)						
(I) Total comprehensive income	-	-	-	(20,458,377.11)	(574,577.71)	20,967,045.18
(II) Capital invested and reduced by shareholders	20,000,000.00	22,000,000.00	-	-	-	42,000,000.00
1. Common shares invested by shareholders	20,000,000.00	22,000,000.00	-	-	-	42,000,000.00
(III) Profit distribution	-	-	-	-	(113,519.28)	(113,519.28)
(IV) Internal structure of shareholders' equity	-	-	-	-	-	-
(V) Special reserves	-	-	-	-	-	-
(VI) Others	-	-	-	-	-	-
IV. Ending balance of the period	<u>189,762,900.00</u>	<u>182,569,046.27</u>	<u>16,435,819.34</u>	<u>(332,708,099.20)</u>	<u>2,501,353.18</u>	<u>58,561,019.59</u>

1. BASIC INFORMATION OF THE COMPANY

The Company, incorporated and established on 13 October 1999, is a joint stock limited company with limited liabilities (and a listed joint venture co-funded by investors from both Taiwan, Hong Kong, Macao and Mainland China), holding a Business License for Legal Person with a unified credit code numbered as 916101317101664434 issued by the Xi'an Administration for Industry and Commerce, located at No. 25 Shuoshi Road, High-tech Industrial Development Zone, Xi'an, and legally represented by Xiao Bing, with both registered capital and paid-in capital of RMB189,762,900.

The H shares issued by the Company have been listed on GEM from 5 November 2003.

The Company's business scope mainly includes: mobile communication system antennas and antenna engineering products, microwave technology products, communication electronics products, data communication products, underwater/underground engineering and monitoring equipment, aerospace products, aircraft parts & components (except for those subject to special entry administration and control measures taken as per national regulations); R & D, production, sales, installation, testing and service of office automation equipment, instruments & meters, electronic industrial equipment and corresponding systemic works (any of the above business items, if requires any permit, shall not be conducted unless so permitted) (except for those requiring national approval).

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS, SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The financial statements of the Group have been prepared on a going-concern basis, based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance and other relevant regulations, and disclosure requirements in Companies Ordinance of Hong Kong and the GEM Listing Rules, and accounting policies and accounting estimates adopted in the consolidated financial statements of the Group for the year ended 31 December 2020.

The Group has adopted the accounting policies and accounting estimates specific to the characteristics of its actual production and operation, including the business cycle, recognition and measurement of the bad debts provision for receivables, measurement of inventory dispatched, classification and depreciation of fixed assets, amortisation of intangible assets, recognition and measurement of revenue.

RMB is the recording currency for the Group.

3. SHARE CAPITAL

Item	(Audited)		Issuance of new shares	(Unaudited)	
	31 December 2020			30 September 2021	
	Share capital	Ratio (%)		Share capital	Ratio (%)
Xi'an Tian An Corporate Management and Consulting Co., Ltd.	32,836,363.70	17.30	–	32,836,363.70	17.30
Shanghai Gaoxiang Investment Management Co., Ltd.	25,484,480.40	13.43	–	25,484,480.40	13.43
Xi'an Xiao's Antenna Technologies Co., Ltd.	15,746,869.80	8.30	–	15,746,869.80	8.30
Xi'an International Medical Investment Co., Ltd.	10,000,000.00	5.27	–	10,000,000.00	5.27
Shenzhen Huitai Investment Development Co., Ltd.	7,506,470.60	3.96	–	7,506,470.60	3.96
Xi'an Haorun Investment Ltd.	7,000,000.00	3.69	–	7,000,000.00	3.69
Xiao Bing	6,500,000.00	3.43	–	6,500,000.00	3.43
Beijing Beikong Jingtai Investment Management Co., Ltd.	5,407,794.10	2.85	–	5,407,794.10	2.85
Jin Rongfei	5,000,000.00	2.64	–	5,000,000.00	2.64
Zhang Jiandong	2,000,000.00	1.05	–	2,000,000.00	1.05
Shaanxi Ying Investment Ltd.	2,000,000.00	1.05	–	2,000,000.00	1.05
Shanghai Ruikou Trade Co., Ltd.	1,850,000.00	0.97	–	1,850,000.00	0.97
Shanghai Hongzhen Ningshang Investment Management Patnership (limited partnership)	1,850,000.00	0.97	–	1,850,000.00	0.97
Jiao Chengyi	1,094,303.00	0.58	–	1,094,303.00	0.58
Liao Kang	910,147.80	0.48	–	910,147.80	0.48
Sub-total of domestic shares	<u>125,186,429.40</u>	<u>65.97</u>	–	<u>125,186,429.40</u>	<u>65.97</u>
Xiao Bing	1,000,000.00	0.53	–	1,000,000.00	0.53
Chen Ji	977,100.00	0.51	–	977,100.00	0.51
Public	<u>62,599,370.60</u>	<u>32.99</u>	–	<u>62,599,370.60</u>	<u>32.99</u>
Sub-total of H shares	<u>64,576,470.60</u>	<u>34.03</u>	–	<u>64,576,470.60</u>	<u>34.03</u>
Total	<u>189,762,900.00</u>	<u>100.00</u>	–	<u>189,762,900.00</u>	<u>100.00</u>

4. OPERATING INCOME, OPERATING COSTS

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September 2021		1 July to 30 September 2020	
	Income	Costs	Income	Costs
Main business	9,505,274.23	7,099,248.88	2,509,333.60	1,782,979.49
Other business	81,765.72	—	(34,388.58)	—
Total	<u>9,587,039.95</u>	<u>7,099,248.88</u>	<u>2,474,945.02</u>	<u>1,782,979.49</u>

Item	(Unaudited)		(Unaudited)	
	1 January to 30 September 2021		1 January to 30 September 2020	
	Income	Costs	Income	Costs
Main business	25,381,683.74	16,755,779.31	6,025,637.40	5,471,574.84
Other business	659,227.15	347,731.32	129,142.85	—
Total	<u>26,040,910.89</u>	<u>17,103,510.63</u>	<u>6,154,780.25</u>	<u>5,471,574.84</u>

5. TAXES AND SURCHARGES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Urban maintenance and construction tax	1,703.02	2,515.41	5,542.47	3,154.65
Education surcharge	1,380.36	979.20	2,890.87	1,521.58
Stamp duty	6,246.04	(505.33)	23,237.85	11,254.37
Water conservancy fund	792.53	284.21	3,048.58	472.56
Environmental protection tax	14,145.21	16,525.97	47,964.18	41,344.62
Total	<u>24,267.16</u>	<u>19,799.46</u>	<u>82,683.95</u>	<u>57,747.78</u>

6. SELLING EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Equipment depreciation expenses	827.77	491.41	2,259.08	1,474.24
Payroll	429,301.35	31,984.89	1,029,701.44	135,317.20
Office fees	16,905.78	4,898.40	28,599.28	9,514.15
Travelling expenses	238,560.07	73,855.65	647,726.84	102,971.14
Transportation charges	18,434.53	–	34,799.11	–
Business entertainment expenses	369,143.49	59,638.50	759,399.30	89,081.50
Delivery charges	237,059.00	11,700.45	660,073.80	19,042.90
Publicity expenses	–	–	1,300.00	(3,840.10)
Intermediation fee	(35,534.94)	–	14,814.04	–
Promotion and testing charges	–	–	59,481.13	–
Others	58,553.69	–	81,803.67	(660.50)
Total	<u>1,333,250.74</u>	<u>182,569.30</u>	<u>3,319,957.69</u>	<u>352,900.53</u>

7. ADMINISTRATIVE EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Depreciation expenses	126,864.05	219,878.44	422,805.41	722,074.59
Depreciation of right-of-use assets	223,576.44	662,900.80	661,225.32	2,069,943.96
Amortisation of intangible assets	18,279.75	5,825.96	57,005.86	17,182.88
Amortisation of long-term deferred expenses	–	411,599.48	65,727.04	1,366,101.83
Payroll	1,743,993.38	2,142,078.52	5,688,251.26	6,201,595.04
Office fees	143,173.08	130,302.90	417,204.04	955,047.85
Communication fee	24,850.16	11,701.20	81,615.99	29,990.10
Travelling expenses	161,847.32	181,016.77	456,954.13	443,513.20
Transportation charges	7,532.24	20,492.35	44,398.02	62,161.00
Business entertainment expenses	288,919.31	193,244.98	533,205.96	376,287.58
Vehicle expenses	140,203.11	187,691.13	406,611.93	407,833.89
Intermediation fee	309,205.39	672,464.59	1,089,057.48	1,049,978.66
Auditor's remunerations				
– Audit service fee	–	(17,830.19)	(7,452.83)	133,555.60
– Other service fee	–	(17,924.53)	–	–
Expenses of the Board	29,700.00	26,700.00	85,950.00	76,950.00
Utilities	59,222.14	42,970.68	176,042.59	144,266.28
Leasing fee	88,150.00	129,840.00	88,150.00	200,340.00
Property management fee	48,399.64	111,082.42	113,610.42	256,166.48
Disabled security fund	142.86	142.86	428.58	481.16
Others	3,028.33	115,601.46	85,918.32	245,251.34
Total	<u>3,417,087.20</u>	<u>5,229,779.82</u>	<u>10,466,709.52</u>	<u>14,758,721.44</u>

8. R&D EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Depreciation expenses	51,854.17	49,904.54	149,963.61	143,911.89
Amortisation of intangible assets	1,785,187.89	1,785,187.89	5,355,563.67	5,355,563.67
Payroll	852,401.69	618,173.99	2,429,430.64	1,681,318.38
Office fees	(9,612.64)	–	16,706.77	–
Travelling expenses	108,580.24	102,591.18	347,546.59	195,949.53
Entertainment expenses	–	–	–	–
Material fee	469,927.30	612,910.84	1,268,374.18	1,021,757.69
Testing charges	235,700.00	–	341,138.04	–
Development service fee	12,000.00	–	35,000.00	–
Others	23,366.24	128,027.67	45,545.47	254,852.20
Total	<u>3,529,404.89</u>	<u>3,296,796.11</u>	<u>9,989,268.97</u>	<u>8,653,353.36</u>

9. FINANCIAL EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Interest expenses	72,777.87	26,267.62	239,214.04	101,924.18
Less: Interest income	1,024.29	1,645.42	4,853.42	7,261.47
Less: Exchange gain	31,140.27	6,438.85	188,156.99	8,504.72
Add: Exchange loss	801.37	3,876.99	25,400.25	91,909.03
Other expenditure	4,695.77	4,413.45	22,859.47	16,773.21
Total	<u>46,110.45</u>	<u>26,473.79</u>	<u>94,463.35</u>	<u>194,840.23</u>

10. OTHER GAIN

Source of other gain	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Government subsidy	153,000.00	133,079.75	628,641.32	461,595.48
Income tax handling fee refunded	–	–	3,487.09	–
Others	–	238.85	–	1,080.71
Total	<u>153,000.00</u>	<u>133,318.60</u>	<u>632,128.41</u>	<u>462,676.19</u>

11. INVESTMENT GAIN

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Long-term equity investment gain accounted in equity method	–	–	–	–
Investment gain from disposal of financial assets held for trading	–	622,629.00	269,414.99	623,292.56
Others	–	–	–	–
Total	<u>–</u>	<u>622,629.00</u>	<u>269,414.99</u>	<u>623,292.56</u>

12. GAIN FROM CHANGES IN FAIR VALUE

Source of gain from changes in fair value	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Financial assets measured at fair value through profit or loss	–	(1,748,400.92)	–	893,201.16
	<u>–</u>	<u>(1,748,400.92)</u>	<u>–</u>	<u>893,201.16</u>

13. CREDIT IMPAIRMENT LOSS

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Bad debts loss of accounts receivable	–	(17,662.59)	–	(17,662.59)
Bad debts loss of other receivables	–	(253,710.68)	–	(253,710.68)
Bad debts loss of advanced payments	–	(94,000.00)	–	(94,000.00)
Total	<u>–</u>	<u>(365,373.27)</u>	<u>–</u>	<u>(365,373.27)</u>

14. ASSETS IMPAIRMENT LOSS

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Impairment loss of projects under construction	–	–	–	–
Impairment loss of intangible assets	–	–	–	–
Total	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

15. GAIN FROM ASSETS DISPOSAL (“–” FOR LOSS)

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Gain from disposal of non-current assets	–	(23,482.78)	(55,452.27)	(23,482.78)
Of which: Gain from disposal of fixed assets	–	(23,482.78)	(55,452.27)	(23,482.78)
Total	<u>–</u>	<u>(23,482.78)</u>	<u>(55,452.27)</u>	<u>(23,482.78)</u>

16. NON-OPERATING INCOME

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Gain from debts restructuring	–	44,337.67	62,308.69	44,337.67
Payables that cannot be paid	–	100.65	–	547.80
Other income	–	–	–	53,990.94
Total	<u>–</u>	<u>44,438.32</u>	<u>62,308.69</u>	<u>98,876.41</u>

17. NON-OPERATING EXPENDITURE

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Loss from damage and scrap of non-current assets	–	–	–	–
Donation expenditure	–	–	–	–
Compensation, liquidated damages and fine expenditure	–	–	52.15	–
Other expenditure	–	–	5,000.00	–
Total	<u>–</u>	<u>–</u>	<u>5,052.15</u>	<u>–</u>

18. INCOME TAX EXPENSES

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Current income tax calculated according to tax law and relevant regulations				
– Mainland China corporate income tax	4,359.55	–	14,069.97	5,014.42
– China Hong Kong profits tax	–	–	–	–
Deferred income tax expenses	–	–	–	–
Total	<u>4,359.55</u>	<u>–</u>	<u>14,069.97</u>	<u>5,014.42</u>

19. SEGMENT INFORMATION

Item	(Unaudited)		(Unaudited)	
	1 July to 30 September		1 January to 30 September	
	2021	2020	2021	2020
Main business income:				
Sales of antenna products and provision of related services	4,079,824.38	230,089.83	14,913,311.39	1,112,720.37
Sales of underwater monitoring products and related products	68,911.51	68,230.09	68,911.51	68,230.09
Sales of aircraft products	–	653,857.62	–	1,461,369.12
Sales of agricultural products	5,356,538.34	1,557,156.06	10,399,460.84	3,383,317.82
Total main business income	<u>9,505,274.23</u>	<u>2,509,333.60</u>	<u>25,381,683.74</u>	<u>6,025,637.40</u>
Segment profit (loss):				
Sales of antenna products and provision of related services	(2,773,196.09)	(4,022,367.55)	(4,786,674.62)	(10,895,955.47)
Sales of underwater monitoring products and related products	(83,967.50)	40,551.08	(305,270.58)	39,936.20
Sales of aircraft products	(175,925.19)	2,315,865.30	(522,673.22)	332,877.67
Sales of agricultural products	325,148.12	(225,041.51)	44,463.50	(829,266.06)
Total segment profit (loss)	(2,707,940.66)	(1,890,992.68)	(5,570,154.92)	(11,352,407.66)
Unallocated income and gain	153,000.00	765,997.34	963,852.09	2,207,189.17
Unallocated costs, expenses, loss and expenditure	(3,154,388.71)	(7,544,582.12)	(9,506,032.72)	(11,769,202.63)
Total profit (“–” for total loss)	<u>(5,709,329.37)</u>	<u>(8,669,577.46)</u>	<u>(14,112,335.55)</u>	<u>(20,914,421.12)</u>

20. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the unaudited net profit attributable to owners of the parent company for the three months and nine months ended 30 September 2021 of RMB(5,855,723.13) and RMB(14,095,845.73) respectively (2020: RMB(8,514,134.06) and RMB(20,458,377.11) respectively) and the weighted average number of 1,897,629,000 shares (2020: 1,830,962,333 shares) in issue during the period. The weighted average number of ordinary shares is the number of shares in issue at the beginning of the period, adjusted by the number of shares issued during the period multiplied by a time-weighting factor.

The diluted earnings per share is equal to the basic earnings per share as calculated above since the Company does not have any potential shares outstanding for the both periods.

21. DIVIDENDS

The Board does not recommend the payment of a dividend for the nine months ended 30 September 2021 (2020: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Total Operating Income

The unaudited total operating income for the nine months ended 30 September 2021 was approximately RMB26.04 million, representing approximately 423% of the unaudited total operating income for the corresponding period in 2020.

Following the procurement activities for artificial dielectric lens antenna products carried out by the mobile communication network operators, and the expansion of sales force and production capacity from available resources of other operating segments by the Group, the operating income from the operating segment of sales of antenna products and provision of related services was increased from approximately RMB1.11 million for the corresponding period in 2020 to approximately RMB14.91 million for the nine months ended 30 September 2021, which accounted for approximately 58% of main business income of the Group.

The operating segment of sales of underwater surveillance and related products still maintained technology research and development and after-sales technical support, and provided customised products and services to existing customers such as research institutes and universities. Accordingly, less than 1% of main business income was generated for the nine months ended 30 September 2021.

In addition to maintaining the operation of technology research and development and improvement, the operating segment of sales of aircraft products also monitored market development of unmanned aerial vehicles for large loading and transportation, and maintained communication with the industry to ensure that subsequent new products can meet market needs. No operating income was recorded for the nine months ended 30 September 2021.

In respect of the operating segment of sales of agricultural products which is mainly engaged in live chicken, chicken meat and related non-staple foods, the well-established market channels are conducive to the cooperation of the Group with other market stakeholders and increase the operating income from the sales of agricultural and sideline products. The operating income was increased from approximately RMB3.38 million for the corresponding period in 2020 to approximately RMB10.40 million for the nine months ended 30 September 2021, which accounted for approximately 41% of main business income of the Group.

Gross profit

During the nine months ended 30 September 2021, an unaudited gross profit of approximately RMB8.94 million was recorded which represented gross profit margin of approximately 34.32%, compared to the unaudited gross profit margin of approximately 11.10% for the corresponding period in 2020. The improvement in gross profit margin was mainly attributable to significant increase in the operating income from the operating segment of sales of antenna products and provision of related services for the nine months ended 30 September 2021.

Segment performance

Segment performance was evaluated after considering gross profit, selling expenses, depreciation and amortisation expenses under administrative expenses, research and development expenses, credit and assets impairment loss of each operating segment.

Selling expenses were increased from approximately RMB0.35 million for the corresponding period in 2020 to approximately RMB3.32 million for the nine months ended 30 September 2021 due to increase in payroll after the expansion of sales force, expenses for procurement activities and delivery charges for the sales of antenna products.

Research and development expenses were increased from approximately RMB8.65 million for the corresponding period in 2020 to approximately RMB9.99 million for the nine months ended 30 September 2021 which were solely used for further improvement and development of antenna products.

Although accounts receivable was increased from approximately RMB2.17 million to approximately RMB14.50 million for the nine months ended 30 September 2021, no impairment loss was recognised for receivables and assets as the aging analysis of all receivables was good and all assets were under safe management.

Although the operating segment of sales of antenna products and provision of related services had significant increase in operating income and production scale during the period, the production scale was still below the normal operating level. It is because the enlarged production capacity was not fully utilised due to delay and time lag of procurement activities for antenna products by the communication network operators. Therefore, the production scale did not generate sufficient income to cover all operating costs and relevant expenses, and a segment loss of approximately of RMB4.79 million was recorded.

Although the operating segment of sales of agricultural products recorded a segment loss due to low market prices before each long holidays in the first half of 2021, after making full use of well-established market channels and cooperating with other market stakeholders, a segment profit of approximately RMB0.04 million was recorded for the nine months ended 30 September 2021.

Since the operating segments of sales of underwater surveillance and related products, and sales of aircraft products did not generate significant operating income, segment losses of approximately RMB0.31 million and RMB0.52 million were recorded respectively.

Other expenses, expenditure, gain and income

Administrative expenses were decreased from approximately RMB14.76 million for the corresponding period in 2020 to approximately RMB10.47 million for the nine months ended 30 September 2021 due to decrease in relevant expenses in respect of rented office as a result of deployment of resources within the Group.

Financial expenses were decreased from approximately RMB0.19 million for the corresponding period in 2020 to approximately RMB0.09 million for the nine months ended 30 September 2021 of which approximately RMB0.12 million was attributable to the increase in the interest expenses of lease liabilities and approximately RMB0.17 million was attributable to exchange gain due to depreciation of Hong Kong dollars. For the purposes of the operation of enlarged production scale, approximately RMB1.90 million of short-term bank borrowings were raised for the period with approximately RMB0.02 million of interest expenses.

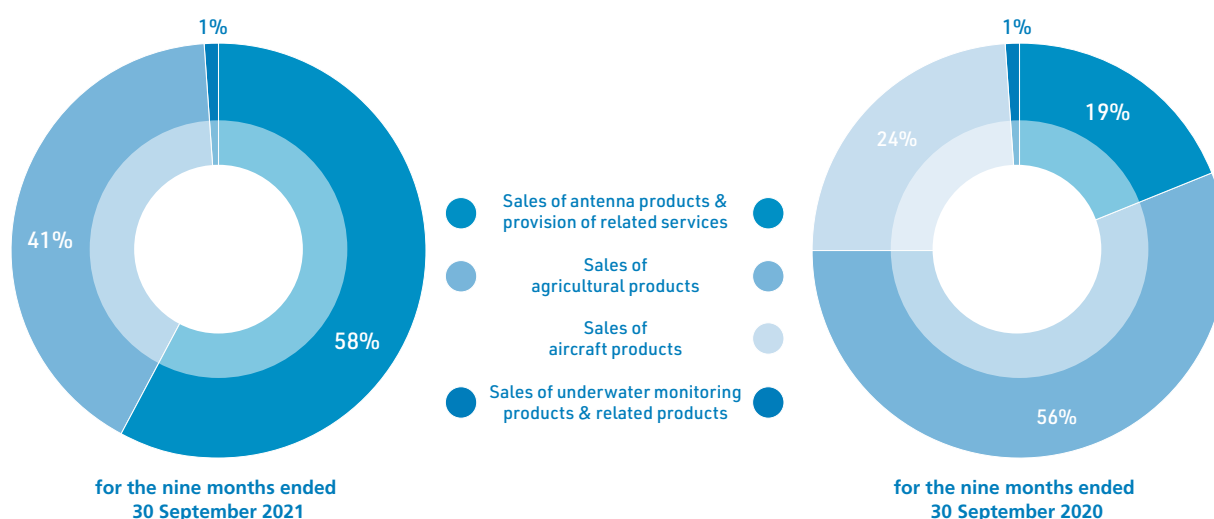
Approximately RMB0.63 million was received as government subsidy for the nine months ended 30 September 2021.

No gain from changes in fair value in respect of financial assets measured at fair value through profit or loss was recognised during the period as the investment was sold after considering its financial performance and working capital requirement for the operating segment of sales of antenna products and provision of related services. Accordingly, approximately RMB0.27 million was recognised as an investment gain during the period.

Net loss

Although unaudited total operating income was increased by 323% during the period, total operating costs were increased by approximately RMB11.57 million that total segment loss of approximately RMB5.57 million was still recorded. During the nine months ended 30 September 2021, the Group recorded an unaudited net loss of approximately RMB14.13 million, compared to an unaudited net loss of approximately RMB20.92 million for the corresponding period in 2020.

Composite of the Group's main business income by reportable and operating segments for the nine months ended 30 September 2021, together with the comparative figures for the corresponding period in 2020 are as follows:



PROSPECTS

The promotion works of the Group in lens antenna market progressed steadily in the first three quarters of 2021, the lens antenna products were further recognised by customers that the communications business of the Group achieved certain results. In order to consolidate the results of market development, the Group would continue to increase market development efforts, promote all-round cooperation with customers in the field of mobile communications, and increase communications business revenue of the Group.

Currently, the Group is actively participating in the bidding projects of major communication operators on the one hand, and also actively exploring cooperation with customers in other fields on the other hand. In respect of communication operator customers, with the significant technical advantages of dielectric lenses, and through business and technology exchanges with communication operators, the Group successfully won the bid for the Lumber lens antenna procurement project of Henan Unicom, which further promoted the marketing and sales work of the Group in North China. At the same time, the Group has made new progress in the promotion of lens antenna market in Northeast China. Through hard work, the Group won the bid for the new construction project of China Unicom regarding Mujia high-speed rail wireless coverage in the Shuangyashan business area of Heilongjiang in 2021, which laid a solid foundation for the Group to expand into the Northeast China market. Regarding other projects of China Unicom in North and Northeast China, projects of China Telecom in Northeast China, and projects of China Mobile in Northwest China and East China, the Group also keeps a close watch, actively follows up, and strives to obtain more bidding projects.

In the meantime, the Group continues to conduct related network field tests of lens antennas in Hainan and Northeast China, in order to gain recognition from local communication operators and increase opportunities for cooperation. Furthermore, the Group is continuing to consolidate and strengthen the cooperation and contacts with mobile communication equipment suppliers and system integration suppliers to further increase market development.

In the next stage, the Group would further strengthen technology exchanges and business communication with customers to actively understand customer needs, and, based on customer feedback, continue to improve product performance, enrich product categories, promote more cooperation, and continue to broaden the customer base of the Group. With the further development of new 5G infrastructure in China, the application of 5G in various scenarios for different industries would gradually become diversified. The Group would go all out to seize this good opportunity in order to, based on the new material of lens, continue to develop communication antennas in different frequency bands that can be widely used in 4G and 5G, and further expand of the market and application of related communication derivative products in many industries and different scenarios.

Regarding the funds required for the development of diversified operations, the Group would also adopt financing channels such as additional issuance, bank borrowings, and revitalising the Group's existing assets in a timely manner according to the needs of business development to ensure the Group's business development.

DIRECTORS', SUPERVISORY COMMITTEE MEMBERS' (THE "SUPERVISORS") AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2021, the interests and short positions of the Directors, Supervisors (as if the requirements applicable to the Directors under the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong) had applied to the Supervisors) and chief executives of the Company in the shares (the "Shares"), underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in domestic shares of the Company ("Domestic Shares")

Name of person	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Mr. Xiao Bing (肖兵先生)	Beneficial owner, family member interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	273,344,804 (Note 2)	21.84%	14.40%

Long positions in H shares of the Company ("H Shares")

Name of person	Capacity	Number of H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares
Mr. Xiao Bing (肖兵先生)	Beneficial owner	10,000,000	1.55%	0.53%
Mr. Chen Ji (陳繼先生)	Beneficial owner, spouse interest and interest in controlled corporation	46,371,000 (Note 3)	7.18%	2.44%
Ms. Lu Lihua (陸麗華女士)	Beneficial owner	14,000 (Note 4)	<0.01%	<0.01%

Short positions in H Shares

Name of person	Capacity	Number of underlying H Shares	Approximate % in total issued H Shares	Approximate % in total issued Shares
Mr. Chen Ji (陳繼先生)	Interest in controlled corporation	36,300,000 (Note 5)	5.62%	1.91%

Notes:

1. 328,363,637 Domestic Shares are held by Xi'an Tian An Corporate Management and Consulting Co., Ltd.* (西安天安企業管理諮詢有限公司) (“**Tian An Corporate**”), which is beneficially owned as to 60% by Mr. Xiao Bing (肖兵先生) and 40% by his spouse Ms. Chen Jing (陳靜女士). 157,468,698 Domestic Shares are held by Xi'an Xiao's Antenna Technologies Co., Ltd.* (西安肖氏天線科技有限公司) (“**Xiao Antenna**”), which is beneficially owned as to 31% by his father Professor Xiao Liangyong (肖良勇教授) and as to 30% by his spouse Ms. Chen Jing. By virtue of the SFO, Mr. Xiao Bing is deemed to be interested in the same 328,363,637 and 157,468,698 Domestic Shares. 65,000,000 Domestic Shares are held by Mr. Xiao Bing.
2. 254,844,804 Domestic Shares are held by Shanghai Gaoxiang Investment Management Co., Ltd.* (上海高湘投資管理有限公司) (“**Gaoxiang Investment**”), which is beneficially owned by Mr. Chen Ji (陳繼先生) and his spouse Ms. Sun Xiangjun (孫湘君女士) in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang Investment Management Partnership (limited partnership)* (上海泓甄寧尚投資管理合夥企業(有限合夥)) (“**Shanghai Hongzhen Ningshang**”), which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment Management Co., Ltd.* (上海泓甄投資管理有限公司) (“**Shanghai Hongzhen Investment**”), and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
3. 9,771,000 H Shares are held by Mr. Chen Ji and 300,000 H Shares are held by Ms. Sun Xiangjun. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial Products Limited (“**Guotai Junan Financial**”), which is beneficially owned by Guotai Junan International Holdings Limited (“**Guotai Junan International**”). Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings Limited (“**Guotai Junan Holdings**”), which is beneficially owned by Guotai Junan Securities Co., Ltd (“**Guotai Junan Securities**”). Zhongrong International Trust Co., Ltd.* (中融國際信託有限公司) (“**Zhongrong International**”), an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to be interested in the same 300,000 and 36,300,000 H Shares.
4. Ms. Lu Lihua (陸麗華女士) is a staff Supervisor.
5. Short positions in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Mr. Chen Ji is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 September 2021, none of the Directors, Supervisors and chief executives of the Company had any other interests or short positions in any Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 September 2021, so far as is known to the Directors, the Supervisors or chief executive of the Company, the following persons/entities (other than the Directors, Supervisors or chief executive of the Company) who/which had, or are deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which were or are expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in Domestic Shares

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Chen Jing (陳靜女士)	Spouse interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Professor Xiao Liangyong (肖良勇教授)	Family member interest and interest in controlled corporation	550,832,335 (Note 1)	44.00%	29.03%
Tian An Corporate	Beneficial owner	328,363,637 (Note 1)	26.23%	17.30%
Ms. Sun Xiangjun (孫湘君女士)	Spouse interest and interest in controlled corporation	273,344,804 (Note 2)	21.84%	14.40%
Gaoxiang Investment	Beneficial owner	254,844,804 (Note 2)	20.36%	13.43%
Xiao Antenna	Beneficial owner	157,468,698 (Note 1)	12.58%	8.30%
Xi'an International Medical Investment Co., Ltd.* (西安國際醫學投資股份有限公司)	Beneficial owner	100,000,000	7.99%	5.27%
Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司)	Beneficial owner	75,064,706 (Note 3)	5.99%	3.96%
Mr. Xiao Feng (肖峰先生)	Interest in controlled corporation	75,064,706 (Note 3)	5.99%	3.96%
Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司)	Beneficial owner	70,000,000 (Note 4)	5.59%	3.69%
Mr. Wang Yun (王贛先生)	Interest in controlled corporation	70,000,000 (Note 4)	5.59%	3.69%
Beijing Beikong Jingtai Investment Management Co., Ltd.* (北京北控京泰投資管理有限公司)	Beneficial owner	54,077,941 (Note 5)	4.32%	2.85%
Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司)	Interest in controlled corporation	54,077,941 (Note 5)	4.32%	2.85%

Name of person/entity	Capacity	Number of Domestic Shares	Approximate % in total issued Domestic Shares	Approximate % in total issued Shares
Ms. Jin Rongfei (金嶸霏女士)	Beneficial owner	50,000,000	3.99%	2.64%
Shaanxi Yinji Investment Ltd.* (陝西銀吉投資有限公司)	Beneficial owner	20,000,000	1.60%	1.05%
Mr. Zhang Jiandong (張建東先生)	Beneficial owner	20,000,000	1.60%	1.05%
Shanghai Hongzhen Ningshang	Beneficial owner	18,500,000 (Note 2)	1.48%	0.97%
Shanghai Ruikou Commerce and Trading Ltd.* (上海睿寇商貿有限公司)	Beneficial owner	18,500,000	1.48%	0.97%
Mr. Jiao Chengyi (焦成義先生)	Beneficial owner	10,943,030	0.87%	0.58%
Mr. Liao Kang (廖康先生)	Beneficial owner	9,101,478	0.73%	0.48%

Long positions in H Shares

Name of person/entity	Capacity	Number of H Shares (Note 6)	Approximate % in total issued H Shares	Approximate % in total issued Shares
Huang Li Hou (黃李厚)	Beneficial owner	85,100,000	13.18%	4.48%
Ms. Chen Wei (陳瑋女士)	Beneficial owner and interest in controlled corporation	70,897,000 (Note 7)	10.98%	3.74%
Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司)	Beneficial owner	70,752,000 (Note 7)	10.96%	3.73%
Oceanic Bliss Holdings Limited (海洋控股有限公司)	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Zeal Warrior Investments Limited	Interest in controlled corporation	70,752,000 (Note 7)	10.96%	3.73%
Ms. Sun Xiangjun (孫湘君女士)	Beneficial owner, spouse interest and interest in controlled corporation	46,371,000 (Note 9)	7.18%	2.44%
Clear Renown Global Limited (朗譽環球有限公司)	Beneficial owner	42,000,000 (Note 8)	6.50%	2.21%
Huang Wei Wen (黃偉汶)	Interest in controlled corporation	42,000,000 (Note 8)	6.50%	2.21%
Guotai Junan Financial	Issuer of investment products	36,300,000 (Note 9)	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 (Note 9)	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 (Note 9)	5.62%	1.91%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 (Note 9)	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 (Note 9)	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 (Note 9)	5.62%	1.91%

Short positions in H Shares

Name of person/entity	Capacity	Number of underlying H Shares (Note 6)	Approximate % in total issued H Shares	Approximate % in total issued Shares
Guotai Junan Financial	Issuer of unlisted and cash settled derivatives	36,300,000 (Note 10)	5.62%	1.91%
Guotai Junan International	Interest in controlled corporation	36,300,000 (Note 10)	5.62%	1.91%
Guotai Junan Holdings	Interest in controlled corporation	36,300,000 (Note 10)	5.62%	1.91%
Guotai Junan Securities	Interest in controlled corporation	36,300,000 (Note 10)	5.62%	1.91%
Zhongrong International	Investment manager	36,300,000 (Note 10)	5.62%	1.91%
Gaoxiang Investment	Beneficial owner	36,300,000 (Note 10)	5.62%	1.91%
Ms. Sun Xiangjun (孫湘君女士)	Interest in controlled corporation	36,300,000 (Note 10)	5.62%	1.91%

Notes:

- 328,363,637 Domestic Shares are held by Tian An Corporate, which is beneficially owned as to 60% by Mr. Xiao Bing and 40% by his spouse Ms. Chen Jing. 157,468,698 Domestic Shares are held by Xiao Antenna, which is beneficially owned as to 31% by his father Professor Xiao Liangyong and as to 30% by his spouse Ms. Chen Jing. 65,000,000 Domestic Shares are held by Mr. Xiao Bing. By virtue of the SFO, each of Ms. Chen Jing and Professor Xiao Liangyong is deemed to be interested in the same 328,363,637, 157,468,698 and 65,000,000 Domestic Shares.
- 254,844,804 Domestic Shares are held by Gaoxiang Investment, which is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. 18,500,000 Domestic Shares are held by Shanghai Hongzhen Ningshang, which is beneficially owned as to 83.33% by Mr. Chen Ji and 16.67% by Shanghai Hongzhen Investment, and Shanghai Hongzhen Investment is beneficially owned as to 60% by Gaoxiang Investment. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 254,844,804 and 18,500,000 Domestic Shares.
- 75,064,706 Domestic Shares are held by Shenzhen Huitai Investment Development Co., Ltd.* (深圳市匯泰投資發展有限公司), which is beneficially owned as to 80% by Mr. Xiao Feng (肖峰先生). By virtue of the SFO, Mr. Xiao Feng is deemed to be interested in the same 75,064,706 Domestic Shares.
- 70,000,000 Domestic Shares are held by Xi'an Haorun Investment Ltd.* (西安昊潤投資有限責任公司), which is beneficially owned as to 50% by Mr. Wang Yun (王贛先生). By virtue of the SFO, Mr. Wang Yun is deemed to be interested in the same 70,000,000 Domestic Shares.
- 54,077,941 Domestic Shares are held by Beijing Beikong Jingtai Investment Management Co., Ltd.* (北京北控京泰投資管理有限公司) (“**Beikong Jingtai**”). By virtue of the SFO, Beijing Holdings (Group) Ltd.* (京泰實業(集團)有限公司), which holds more than one third of voting rights of Beikong Jingtai, is deemed to be interested in the same 54,077,941 Domestic Shares.

6. Details of these shareholders of the Company are based on information as set out in the website of the Stock Exchange and notified by the Disclosure of Interests Online System of the Stock Exchange.
7. 145,000 H Shares are held by Ms. Chen Wei (陳瑋女士) who is beneficial owner of Zeal Warrior Investments Limited (“**Zeal Warrior**”). 70,752,000 H Shares are held by Hongkong Jinsheng Enterprise Co., Limited (香港錦昇企業有限公司), which is beneficially owned by Oceanic Bliss Holdings Limited (海祥控股有限公司) (“**Oceanic Bliss**”), and Oceanic Bliss is beneficially owned by Zeal Warrior. By virtue of the SFO, each of Ms. Chen Wei, Oceanic Bliss and Zeal Warrior is deemed to be interested in the same 70,752,000 H Shares.
8. 42,000,000 H Shares are held by Clear Renown Global Limited (朗譽環球有限公司), which is beneficially owned by Huang Wei Wen (黃偉汶). By virtue of the SFO, Huang Wei Wen is deemed to be interested in the same 42,000,000 H Shares.
9. 9,771,000 H Shares are held by Mr. Chen Ji and 300,000 H Shares are held by Ms. Sun Xiangjun. 36,300,000 H Shares are held in investment products issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such investment products issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, Ms. Sun Xiangjun is deemed to be interested in the same 9,771,000 and 36,300,000 H Shares, and each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International and Gaoxiang Investment is deemed to be interested in the same 36,300,000 H Shares.
10. Short positions in 36,300,000 underlying H Shares are derived from unlisted and cash settled derivatives issued by Guotai Junan Financial, which is beneficially owned by Guotai Junan International. Guotai Junan International is beneficially owned as to 65.74% by Guotai Junan Holdings, which is beneficially owned by Guotai Junan Securities. Zhongrong International, an investment manager of Gaoxiang Investment, holds such unlisted and cash settled derivatives issued by Guotai Junan Financial, and Gaoxiang Investment is beneficially owned by Mr. Chen Ji and his spouse Ms. Sun Xiangjun in equal share. By virtue of the SFO, each of Guotai Junan International, Guotai Junan Holdings, Guotai Junan Securities, Zhongrong International, Gaoxiang Investment and Ms. Sun Xiangjun is deemed to have short position in the same 36,300,000 underlying H Shares.

Saved as disclosed above, as at 30 September 2021, the Directors, Supervisors and chief executives of the Company were not aware of any other person/entity (other than the Directors, Supervisors or chief executive of the Company) who/which had, or is deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who/which was or is expected to be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or who/which was recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE H SHARES

As at 30 September 2021, so far as is known to the Directors, Supervisors and chief executives of the Company, none of the Directors, Supervisors or chief executives of the Company or any of their respective associates including spouses and children under 18 years of age had any interest in, or has been granted, or exercised, any rights to subscribe for H Shares (or warrants or debentures, if applicable) or to acquire H Shares.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the nine months ended 30 September 2021.

COMPETING INTERESTS

None of the Directors, the Supervisors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates had an interest in any business which competes or may compete, directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

CODE ON CORPORATE GOVERNANCE PRACTICES

For the nine months ended 30 September 2021, the Company has complied with the requirements of the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 of the GEM Listing Rules.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

For the nine months ended 30 September 2021, the Company adopted a code of conduct regarding securities transactions by Directors on terms which are same as the required standard of dealings as referred to in Rule 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard for dealings and the code of conduct regarding securities transactions by the Directors.

AUDIT COMMITTEE

An audit committee of the Company (the “**Audit Committee**”) was established on 4 April 2003 with terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, internal control systems, audit issues and operating risk management of the Group. As at 30 September 2021, the Audit Committee comprised of Professor Shi Ping and Mr. Liu Lidong, independent non-executive Directors, and Mr. Xu Xiong, a non-executive Director. The Group’s unaudited consolidated results for the nine months ended 30 September 2021 have been reviewed by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

By order of the Board

Xi’an Haitian Antenna Technologies Co., Ltd.*

Xiao Bing

Chairman

Xi’an, the People’s Republic of China, 5 November 2021

As at the date of this announcement, the Board comprises Mr. Xiao Bing (肖兵先生) and Mr. Chen Ji (陳繼先生) being executive Directors; Mr. Sun Wenguo (孫文國先生), Mr. Li Wenqi (李文琦先生), Mr. Zuo Hong (左宏先生), Mr. Yan Weimin (燕衛民先生) and Mr. Xu Xiong (徐雄先生) being non-executive Directors; and Mr. Zhang Jun (張鈞先生), Professor Shi Ping (師萍教授), Mr. Tu Jijun (塗繼軍先生) and Mr. Liu Lidong (劉立東先生) being independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and be posted on the website of the Company at <http://www.xaht.com>.

* for identification purpose only